

of all funds made available under this part used by the State Dislocated Worker Unit for administrative expenditures. Reports shall be provided to the Secretary within 45 calendar days after the end of the report period (sections 165(a)(2) and 311(b)(11)).

**§ 631.16 Complaints, investigations, and penalties.**

The provisions of this section apply in addition to the sanctions provisions in subpart G of part 627 of this chapter.

(a) The Secretary shall investigate a complaint or report received from an aggrieved party or a public official which alleges that a State is not complying with the provisions of the State plan required under section 311(a) of the Act (section 311(e)(1)).

(b) Where the Secretary determines that a State has failed to comply with its State plan, and that other remedies under the Act and part 627 of this chapter are not available or are not adequate to achieve compliance, the Secretary may withhold an amount not to exceed 10 percent of the allotment to the State for the program year in which the determination is made for each such violation (section 311(e)(2)(A)).

(c) The Secretary will not impose the penalty provided for under paragraph (b) of this section until all other remedies under the Act and part 627 of this chapter for achieving compliance have been exhausted or are determined to be unavailable or inadequate to achieve State compliance with the terms of the State plan.

(d) The Secretary will make no determination under this section until the affected State has been afforded adequate written notice and an opportunity to request and to receive a hearing before an administrative law judge pursuant to the provisions of subpart H of part 627 of this chapter (section 311(e)(2)(B)).

**§ 631.17 Federal monitoring and oversight.**

The Secretary shall conduct oversight of State administration of programs under this part, including the administration by each State of the rapid response assistance services provided in such State. The Secretary

shall take the appropriate actions to ensure the effectiveness, efficiency and timeliness of services conducted by the State in accordance with § 631.30(b) of this part (section 314(b)(3)).

**§ 631.18 Federal by-pass authority.**

(a) In the event that a State fails to submit a biennial State plan that is approved under § 631.36 of this part, the Secretary shall make arrangements to use the amount that would be allotted to that State for the delivery in that State of the programs, activities, and services authorized under Title III of the Act and this part.

(b) No determination may be made by the Secretary under this section until the affected State is afforded written notification of the Secretary's intent to exercise by-pass authority and an opportunity to request and to receive a hearing before an administrative law judge pursuant to the provisions of subpart H of part 627 of this chapter.

(c) The Secretary will exercise by-pass authority only until such time as the affected State has an approved plan under the provisions of § 631.36 of this part (section 321(b)).

**§ 631.19 Appeals.**

Except as provided in this part, disputes arising in programs under this part shall be adjudicated under the appropriate State or local grievance procedures required by subpart E of part 627 of this chapter or other applicable law. Complaints alleging violations of the Act or this part may be filed with the Secretary, pursuant to subpart F of part 627 of this chapter. Paragraphs (a) through (e) of this section refer to appeal rights set forth in this part.

(a) Section 628.405(g) of this chapter (appeals of denial of SDA designation) shall apply to denial of substate area designations under § 631.34(c)(1) and (3) of this part.

(b) Section 628.426(e) of this chapter (appeals of final disapproval of SDA job training plans or modifications) shall apply to final disapproval of substate plans under § 631.50(f) of this part.

(c) Section 628.426(f) of this chapter (appeals of a Governor's notice of intent to revoke approval of all or part of